J.J. NEWBERRY COMPANY ANNUAL REPORT 1967

J. J. NEWBERRY CO. 245 FIFTH AVENUE, NEW YORK, N. Y. 10016

CONTENTS

The annual meeting of stockholders will be held at The Prince George Hotel (28th Street east of 5th Avenue) New York City at 11 A.M. on Tuesday, June 11, 1968

ABOUT NEWBERRYS

J. J. Newberry Co. is one of the country's major Department and Variety store chains, operating 544 stores and restaurants in 45 states and in three provinces of Canada.

The Department stores operate under the names of Britts and Newberrys. In our Britts stores major emphasis is given to national brand merchandise supplemented by our own private label merchandise. The stores range in size up to 190,000 square feet.

Our Newberry Department stores, ranging in size up to 100,000 square feet emphasize our own fine quality private label merchandise.

The Variety stores, offering better quality popular priced merchandise, are known as Newberrys, Hesteds, and Lees, while in Canada our 30-store chain operates under the name of United Stores.

Newberrys provides food service in 344 stores; in addition it operates 8 free-standing restaurants under the names Wm.Tally House and Holland House.

Founded in 1911, Newberrys, with sales for 1967 exceeding $360,000,000 has launched a coordinated expansion program which will include not only the opening of new stores but also the investigation of prospects for acquiring other favorably situated, established businesses. This action is being taken after recent emphasis on internal reorganization, improvement of operating efficiency, and closing of unprofitable units.

The common and preferred stocks of J. J. Newberry Co. are listed on the New York Stock Exchange.

COMPARATIVE HIGHLIGHTS

	1967‡	1966‡
Sales	$360,317,631	$353,868,470
Net Earnings	$ 5,033,632	$ 4,402,845[1]
Earnings Per Common Share	$ 2.38	$ 2.06
Depreciation and Amortization	$ 3,694,000	$ 3,573,000
Working Capital	$ 61,366,246	$ 66,099,606
Current Ratio	2.6 to 1	3.0 to 1
Common Stockholders' Equity	$ 69,165,188	$ 65,678,449
Book Value Per Common Share	$35.35	$33.57
Number of Stores In Operation	544	529
Average Sales Per Store	$ 657,697	$ 659,874

(1) Exclusive of extraordinary, non-recurring charges against retained earnings of $6,720,000 in connection with program to close unprofitable stores, and miscellaneous of $156,000.

‡ Years which end January 31st of the subsequent year

TO OUR SHAREHOLDERS

The Company profits—the only valid measurement of progress—increased 14.3% for the year 1967 over the previous year's performance.

The net earnings for the 12 months ended January 31, 1968 amounted to $2.38 per share of common stock as compared to $2.06 per share of common stock for the prior year.

It is significant to note that these higher earnings were achieved even though there was a much heavier impact of Federal Income Taxes. Earnings before tax were 36% higher than in the previous year.

These earnings were attained on a total sales volume, including our Canadian operations, of $360,317,631. This, the largest annual sales volume ever recorded by the Company, is an increase of 1.8% over sales of $353,868,470 for the year ended January 31, 1967.

During the year, 18 unprofitable stores were closed, making a total of 39 such stores closed in the last two years. Of this total, 23 stores were closed prior to the lease expiration. The extraordinary expenses of these 23 closings have been provided for in the reserve established for the closing of unprofitable units prior to the lease expiration. This substantially completes our program in this regard. While we undoubtedly will close some stores in the future, such closings will principally be at the expiration of leases.

We are accelerating our program for the refurbishing of existing units. This includes not only refixturing and modernization but also the grouping together of related merchandise necessary to provide customer shopping convenience. Added emphasis is being placed on wearables and other soft goods since these are types of merchandise having a large future growth potential.

Our programs for development of quality merchandise under our own private brands continue to move ahead rapidly. There is an ever increasing amount of this tested and approved merchandise on the counters and on display in our stores. These products have been well

received by our customers, and there is a continuously increasing demand for them.

In our Britts Department Stores the primary emphasis is on nationally advertised brand name merchandise. However, to a limited extent our Britts stores also offer for sale our private label quality merchandise.

Our inventories of merchandise on hand on January 31, 1968 were at a higher level than at the same time the previous year primarily due to a number of planned factors.

In addition to the amount of merchandise required for our Canadian stores, which were acquired on April 1, 1967, we arranged earlier delivery of Spring merchandise to all stores in order to obtain the benefit of pre-season sales of this type of merchandise. Also, our modular concept of department development, whereby fringe and slow selling items are eliminated and new and expanded lines of basic merchandise are stocked in greater depth, requires a somewhat higher inventory — particularly in private label merchandise.

Our distribution centers continue to increase in importance in our merchandising operations. Of our four distribution centers, the buildings located in Omaha, Nebraska and Montreal, Canada have been enlarged to approximately twice their original size.

The ordering of merchandise from our distribution centers, through the direct use of our computers — as explained elsewhere in this report — provides a fast and efficient merchandise replenishment for our stores.

Our plans provide for the handling of a much larger percentage of our merchandise needs through our distribution centers in the future. This, together with an increase in the number of stores, will undoubtedly necessitate the opening of additional, strategically located distribution centers in the near future.

Our planned programs for the expansion of all phases of our operations are moving ahead rapidly. Since we are still in the early stages of these programs, only three new units were opened in 1967 — a Britts Department Store in Pottstown, Pa. — a Newberry Department Store in Torrington, Conn. — and a Wm. Tally House Restaurant in White River Junction, Vermont.

It is expected that at least 12 units will be opened during 1968, and a minimum of 25 units in each of the immediately subsequent years. Real estate commitments necessary to accomplish this result are moving along satisfactorily.

These new units will expand our operation of Britts Department Stores — Newberry Department Stores — and free standing restaurants under the Wm. Tally House and Holland House names.

Our present complement of stores includes a large number of smaller stores — basically variety stores. Since there is a real need for this type of store in many communities, we will continue to operate the existing stores — providing they are profitable — and endeavor to seek locations for additional stores of this smaller size.

In addition, we are currently arranging to open a number of pilot test stores of the "Fabric Shop" concept featuring piece goods and related items. Since such merchandise has always been an important factor in Newberry Stores, these smaller specialized units should make an important profit contribution.

Our operations in Canada will be expanded by the opening of new stores and the enlargement and modernization of existing units.

In both the United States and Canada we are aggressively seeking acquisitions in our type of operations and related areas. Our plans provide for concentration in merchandise distribution and restaurant operations.

At the Company's annual meeting in June 1968, stockholders will be requested to approve an increase in the number of shares of authorized common stock and a new class of subordinate preferred stock. It is essential that these securities be available to enable the negotiation of favorable and advantageous acquisitions.

Stockholders will also be requested to approve changes in the Company's charter which will relax certain controls over borrowing now possessed by holders of the preferred stock, and to adopt a provision for a sinking fund for the purchase or redemption of preferred stock.

In order to provide the management personnel required to handle expanding operations we have, within the past year, instituted concentrated management training programs designed to shorten the period of time required to develop personnel capable of managing our new units. Our recruiting programs for the employment of potential management talent are attracting a sufficient number of trainees for our future needs.

The success of any company depends largely on its ability to attract and retain the services of competent, interested employees. An adequate pension plan is not only important in this regard but should provide benefits to which loyal employees are entitled. Recently, your Board of Directors approved changes in the Company's employee pension plan to update the plan and provide for benefit payments at retirement more in line with today's values.

In 1967 cash dividend payments on common stock were resumed and a total of 60¢ per share was declared during the fiscal year. The Board of Directors will continue to give consideration to adjustment of the amount of cash dividends to the extent our attained profits and cash requirements may permit.

The programs for the expansion of our company and the improvement of our existing operations are designed to produce a steady and continuous profit increase. We look to the future with full confidence that this result will be achieved.

W. Straus

April 12, 1968

Walter C. Straus
President

RESTAURANT OPERATIONS

Not everyone realizes that large merchandise chain stores such as Newberrys are among the largest providers of food service in the country.

For more than forty years, Newberrys has had snack bars and fountains in many of its stores. During the mid-fifties, when the company started to build larger stores, these eating facilities were also expanded and upgraded so that today cafeteria and table service restaurants are found in many of the stores.

The opening of free standing restaurants during recent years has been a natural outgrowth of Newberrys vast experience in this profitable area. These restaurants (called "free standing" because they are not located within a store) are operated under two names: Wm. Tally House (in the East and Midwest) and Holland House (on the West Coast). Cocktail lounges are included in some of these facilities.

Presently, Newberrys operates eight free standing restaurants and contemplates that ten or more will be opened annually in each of the next few years.

Whether providing sandwiches at a snack bar or a full course dinner in one of its restaurants, Newberrys has steadily enhanced its reputation for the quality and excellence of its food. One reason is the meticulous regard for detail. Another is the maintenance of a research kitchen, geared to test the latest equipment and to provide the best cooking recipes and other services. The test kitchen also evaluates new food products. Only after a product measures up to rigid standards will it appear on the menu in a Newberry restaurant.


COFFEE SHOP

DATA-PHONE ORDERING SYSTEM

Staple merchandise is the bread and butter of any retail company. This merchandise sells day-in-day-out and is most important for the profitability of our stores.

To insure a constant in-stock condition of staple merchandise, Newberrys has installed a unique "Data-Phone" ordering system, a computerized application, allowing weekly ordering, rapid delivery and accurate stock control.

1. THE STORE
Department Head marks quantity wanted.

2. THE TELETYPE MACHINE
Order fed into teletype machine.

3. THE NEW YORK OFFICE
Order transmitted to New York Data Processing Center where invoice is automatically printed.

4. THE DISTRIBUTION CENTER
Order filled at the distribution center.

5. STORE DELIVERY
Trucked directly to store.

6. THE STORE
Merchandise received and placed on sale.

THE NEW NEWBERRYS

A new Newberrys is emerging.

The five-and-dime look has faded away. There is a new look, a new atmosphere, a new image . . . the image is fashion.

The new Newberrys provides the latest in family fashions, fabrics and sewing notions, home furnishings, toys and sporting goods, appliances . . . everything a family might require to satisfy its needs or enjoy its leisure.

There is a new look in the stores themselves; carpeted areas, decorator designed interiors coordinated with modern, efficient fixtures; and new packaging, gift boxes, advertising, even new delivery trucks.

The new Newberrys has a modern, youthful, fashionable look, backed up by our Quality Control Laboratory to assure our customers the best in value.

Myrna
ELASTIC BACK BRA
Myrna
CONTOUR PERMA-PRESS BRA
TWIN-STRAP UPLIFT BRA
Myrna
CROSS-OVER PERMA-PRESS BRA
Myrna
ELASTIC ACTION BRA
36-B $1.19
Myrna
TWIN-STRAP UPLIFT BRA
lewberrys

544 STORES IN THE U.S. & CANADA

WESTERN REGION

Regional Office located in Los Angeles:
123 Newberrys
5 Britts
29 Hesteds
3 Holland House Restaurants

CENTRAL REGION

Regional Office located in Omaha:
84 Newberrys
1 Britts
34 Hesteds
21 Lees
1 Taylors
1 Wm. Tally House Restaurant

EASTERN REGION

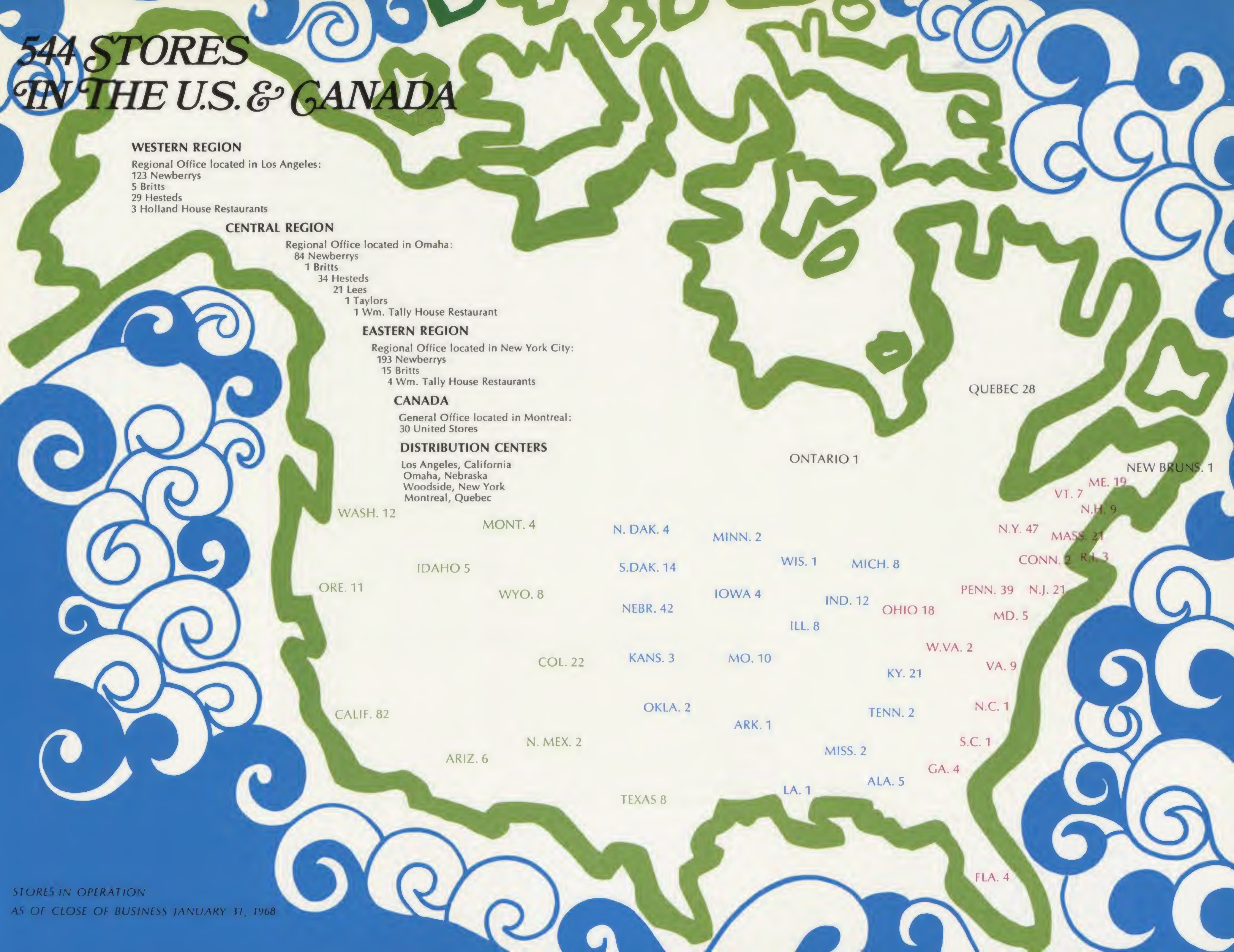
Regional Office located in New York City:
193 Newberrys
15 Britts
4 Wm. Tally House Restaurants

CANADA

General Office located in Montreal:
30 United Stores

DISTRIBUTION CENTERS

Los Angeles, California
Omaha, Nebraska
Woodside, New York
Montreal, Quebec



STORES IN OPERATION
AS OF CLOSE OF BUSINESS JANUARY 31, 1968

CONSOLIDATED STATEMENTS OF INCOME

Years Ended January 31

	1968	1967
Net sales	$360,317,631	$353,868,470
Costs of merchandise sold, including occupancy and buying costs	255,934,180	255,284,644
	104,383,451	98,583,826
Selling and general expenses	93,298,973	89,832,763
Operating income	11,084,478	8,751,063
Interest expense	1,965,846	2,063,218
Income before provision for federal income taxes	9,118,632	6,687,845
Provision for federal income taxes (Note 5):		
Currently payable	3,978,000	1,808,000
Deferred	107,000	477,000
	4,085,000	2,285,000
Net income for year	$ 5,033,632	$ 4,402,845

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Years Ended January 31

	1968	1967
Balance at beginning of year	$52,428,359	$56,530,757
Net income for year	5,033,632	4,402,845
	57,461,991	60,933,602
Deductions:		
Charges (Note 3):		
Provision for extraordinary losses in connection with store closing program, net of estimated federal income tax reductions of $3,780,000		6,720,000
Adjustment of merchandise inventory at beginning of year, net of federal income taxes of $88,000		156,000
		6,876,000
Dividends:		
Cash dividends:		
Preferred stock, $3.75 per share	375,008	375,008
Common stock, $.60 per share in 1968	1,173,966	
Stock dividend on common stock, 3%, at estimated fair market value, in 1967		1,254,235
	1,548,974	1,629,243
Balance at end of year (Note 2)	$55,913,017	$52,428,359

Depreciation and amortization of improvements to leased premises charged against income in the years ended January 31, 1968 and 1967 amounted to $3,694,000 and $3,573,000, respectively.

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEETS

at January 31

ASSETS:	1968	1967
CURRENT ASSETS:		
Cash, including certificates of deposit of $922,500 in 1968	$ 10,029,978	$ 8,283,098
U. S. Treasury bills, at cost plus accrued interest (approximates market)	999,517	10,944,715
Accounts receivable:		
Customers, including equity of $979,796 in accounts sold	4,337,292	3,976,565
Other	2,191,517	1,616,680
	6,528,809	5,593,245
Less, Allowance for doubtful accounts	715,000	715,000
	5,813,809	4,878,245
Merchandise on hand and in transit, at lower of cost (principally retail method) or market	80,922,138	72,768,299
Prepaid expenses	2,306,380	2,131,512
TOTAL CURRENT ASSETS	100,071,822	99,005,869
PROPERTY AND EQUIPMENT, AT COST:		
Land	3,002,504	3,261,029
Buildings and improvements	5,251,957	4,944,897
Fixtures and equipment	41,200,699	37,898,937
Improvements to leased premises	26,122,711	25,730,528
	75,577,871	71,835,391
Less, Allowance for depreciation and amortization	34,399,337	32,373,287
	41,178,534	39,462,104
DEFERRED CHARGES AND OTHER ASSETS	4,269,242	3,587,361
	$145,519,598	$142,055,334

The accompanying notes are an integral part of the financial statements.

	1968	1967
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 30,081,002	$ 27,697,038
2.9% Sinking Fund Notes payable in 1968	3,500,000	
Current instalments on long-term debt (Note 2)	1,583,574	2,664,225
Reserve for store closing program, net of related federal income taxes (Note 3)	830,000	985,000
Federal income taxes	1,751,000	982,000
Deferred federal income taxes applicable to gross profit on instalment sales	960,000	578,000
TOTAL CURRENT LIABILITIES	38,705,576	32,906,263
LONG-TERM DEBT (Note 2)	20,301,421	25,384,995
RESERVE FOR STORE CLOSING PROGRAM, net of related federal income taxes (Note 3)	3,926,000	4,639,000
OTHER LONG-TERM LIABILITIES	631,413	769,627
DEFERRED FEDERAL INCOME TAXES, other	2,790,000	2,677,000
STOCKHOLDERS' EQUITY:		
CAPITAL STOCK:		
Cumulative preferred stock, par value $100 per share; authorized, 125,000 shares, issuable in series; issued and outstanding, 100,000 shares, 3¾% series (redeemable at $101.50 per share, plus accrued dividends)	10,000,000	10,000,000
Common stock, no par value; authorized, 2,500,000 shares; issued, 2,017,020 shares (Note 4)	13,550,999	13,549,334
RETAINED EARNINGS (Note 2)	55,913,017	52,428,359
	79,464,016	75,977,693
Less, 60,407 shares of common stock held in treasury, at cost	298,828	299,244
	79,165,188	75,678,449
	$145,519,598	$142,055,334

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. The accompanying financial statements include the accounts of the Company and all subsidiaries, including United Stores of Canada Limited which was acquired for cash as of April 1, 1967. The net sales and net income of this new Canadian subsidiary (translated at appropriate rates of exchange), which are included in the 1968 consolidated financial statements, aggregated $11,593,000 and $335,000, respectively.

2. At January 31, 1968, long-term debt comprises:

	Current	Noncurrent	Total
Mortgages Payable	$ 24,854	$ 335,133	$ 359,987
3¾% Sinking Fund Notes, payable to May 15, 1976	500,000	6,000,000	6,500,000
3⅞% Notes, payable from January, 1969 to 1975	25,720	532,288	558,008
5¼% Subordinated Notes, payable from October, 1968 to 1981	1,033,000	13,434,000	14,467,000
	$1,583,574	$20,301,421	$21,884,995

The mortgages bear interest at various rates from 3¾% to 5% and are payable in various amounts through July 1, 1976.

The sinking fund note indenture provides for annual sinking fund payments of $500,000 through May 15, 1975, with the remaining balance of $2,500,000 payable May 15, 1976. The Company has the option of making certain additional sinking fund payments annually, without premium.

Certain prepayment privileges are available to the Company with respect to the long-term notes payable which provide for declining premium payments.

The notes and supplemental agreements contain certain covenants restricting the amount of retained earnings available for the payment of cash dividends or for acquisition of the Company's capital stock. At January 31, 1968, approximately $6,800,000 of retained earnings is free of such restrictions.

3. During the year ended January 31, 1967, the Company's Board of Directors authorized the adoption of a program to dispose of certain unprofitable stores in 1966 and future years. Accordingly, the aggregate extraordinary, non-recurring charges expected to be incurred in connection with such store closing program, net of related federal income taxes, was charged against retained earnings ($6,720,000).

Effective as of February 1, 1966, in order to effect certain buying and operational efficiencies, the Company combined certain merchandise departments. This combination of departments resulted in a more conservative valuation of year-end inventories under the retail method as compared with the former alignment of departments. In order to more properly reflect net income for the year ended January 31, 1967, the opening inventories as of February 1, 1966 were reduced to give appropriate effect to the aforementioned combination of departments. This reduction, net of related federal income taxes, was charged against retained earnings ($156,000).

4. At January 31, 1968, 103,000 shares of common stock are reserved for issuance under the Company's Stock Option Plan for Key Employees. The plan authorizes

the granting of options at any time prior to December 31, 1968 to key employees to purchase shares of common stock for 110% of the fair market value at the date of grant. Options expire five years from date of grant, and generally become initially exercisable two years from date of grant to the extent of 20% annually (on a cumulative basis). During the year ended January 31, 1968, options for 5,150 shares were canceled. At January 31, 1968, options for 7,210 shares at $21.36 per share and 62,265 shares at $19.94 per share are outstanding, and options for 33,525 shares are available for future grant. No options were exercised during the two years ended January 31, 1968.

At January 31, 1968, 5,013 shares of common stock are reserved for future issuance under the Incentive Stock Bonus Plan. During the year ended January 31, 1968, 84 shares were issued to eligible participants.

At January 31, 1968, 163,381 shares of common stock are reserved for warrants, expiring on October 1, 1981, to purchase common stock at a price of $49.33 per share; no warrants were exercised during the two years ended January 31, 1968.

5. The provisions for federal income taxes have been reduced by Investment Tax Credits in the amounts of $269,000 and $803,000 in the years ended January 31, 1968 and 1967, respectively.

6. At January 31, 1968, the Company had long-term leases on buildings, fixtures and equipment expiring between 1972 and 2047 (without consideration of renewals). Minimum aggregate annual rentals under such leases, exclusive of realty taxes and other charges, approximate $19,200,000. Certain of the leases provide for additional rentals based upon sales.

7. The Company and its subsidiaries have contributory trusteed (self-administered for Canadian subsidiary) retirement plans for all eligible employees which provide for retirement benefits based on age, earnings and length of service. Pension costs under these plans approximated $500,000 for the year ended January 31, 1968. The Company's policy is to fund pension cost accrued.

AUDITORS' REPORT

To the Board of Directors and Stockholders,
J. J. NEWBERRY CO.:

We have examined the consolidated balance sheet of J. J. NEWBERRY CO. and SUBSIDIARIES as of January 31, 1968 and the related consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the consolidated financial statements of the Company and its subsidiaries for the year ended January 31, 1967.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of J. J. Newberry Co. and Subsidiaries at January 31, 1968 and 1967, and the consolidated results of their operations and the source and application of funds for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, March 23, 1968.

CONSOLIDATED STATEMENTS OF SOURCE AND APPLICATION OF FUNDS

Years Ended January 31

	1968	1967
SOURCE:		
Net income	$5,033,632	$4,402,845
Items affecting net income not requiring or generating funds:		
Depreciation and amortization	3,694,000	3,573,000
Increase in deferred income taxes	107,000	477,000
Adjustment of merchandise inventory at beginning of year, net of federal income taxes		(156,000)
	$8,834,632	$8,296,845
APPLICATION:		
Decrease in long-term debt and other long-term liabilities	$5,213,707	$3,069,992
Net additions to property and equipment, less dispositions in connection with store closing program of $813,327 and $1,423,357, respectively	3,772,292	1,784,813
Property and equipment of United Stores of Canada Limited at date of acquisition	1,638,138	
Cash dividends:		
Common stock	1,173,966	
Preferred stock	375,008	375,008
Reduction in non-current reserve for extraordinary losses in connection with store closing program, net of federal income taxes	713,000	2,081,000
Increase in deferred charges and other assets	681,881	1,041,830
Decrease in working capital	4,733,360	55,798
	$8,834,632	$8,296,845

10 YEAR SUMMARY HIGHLIGHTS

J. J. Newberry Co. and Subsidiaries

Dollar Amounts (Except Per Share Earnings and Book Values) Shown in Thousands.

YEAR‡	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958
Number of stores	544	529	548	575	574	567	564	559	462	469
Sales	$ 360,318	$ 353,868	$ 355,667	$ 336,281	$ 319,344	$ 312,511	$ 291,237	$ 265,818	$ 238,008	$ 221,873
Earnings before federal taxes	$ 9,119	$ 6,688	$ 6,895	$ 2,894	$ 3,856*	$ 3,639	$ 6,567	$ 9,390	$ 11,242	$ 10,807
Net earnings after federal taxes (Note 1)	$ 5,034	$ 4,403	$ 4,413	$ 2,015	$ 2,556*	$ 1,929	$ 3,486	$ 4,779	$ 5,590	$ 5,248
Net earnings per share (Note 1)	$ 2.38	$ 2.06	$ 2.08	$ 0.85	$ 1.53*	$ 0.82	$ 1.65	$ 2.35	$ 3.22	$ 3.03
Shares of common stock outstanding	1,956,613	1,956,529	1,888,690	1,874,583	1,860,017	1,843,915	1,831,620	1,816,719	1,570,405	1,560,396
Merchandise inventories	$ 80,922	$ 72,768	$ 77,082	$ 68,310	$ 74,480	$ 84,772	$ 74,978	$ 60,481	$ 50,286	$ 46,554
Common stockholders' equity	$ 69,165	$ 65,678	$ 68,328	$ 64,753	$ 62,511	$ 67,665	$ 68,885	$ 67,729	$ 60,908	$ 58,519
Book value per share of common stock	$ 35.35	$ 33.57	$ 35.12	$ 33.54	$ 32.63	$ 35.63	$ 36.51	$ 36.20	$ 37.66	$ 36.41
Ratio of current assets to current liabilities	2.6	3.0	3.3	3.6	2.7	2.9	3.5	3.3	3.1	2.9

Note 1—Exclusive of special items, net of tax effects, amounting to a charge in 1966 of $6,876 ($3.51 per share); a credit in 1964 of $338 ($0.18 per share); a charge in 1963 of $2,220 ($1.15 per share); and credits in 1962 of $455 ($0.24 per share) and in 1961 of $1,206 ($0.64 per share).

** Indicates loss.*

‡ 1965 through 1967 are years ended January 31st of the subsequent year; 1958 through 1964 are years ended December 31st.

OFFICERS & DIRECTORS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OFFICERS

1. WALTER C. STRAUS, *President*
2. DEAN S. CAMPBELL, *Executive Vice President*
3. DARYL D. MILIUS, *Senior Vice President*—Merchandise
4. E. WALTER FORSMAN, *Financial Vice President*
5. JOHN J. NEWBERRY, JR., *Vice President*—Public Relations
6. LEWIS F. LE MASTER, *Vice President*—Personnel
7. WILLIAM J. O'BRIEN, *Vice President*—Real Estate
8. WILLIAM H. JONES, *Vice President*—Restaurant Operations
9. HENRY D. VON OESEN, *Vice President*—Financial Planning
10. GEORGE L. KELLY, *Vice President*—Eastern Region Operations
11. FARR J. PORTER, *Vice President*—Central Region Operations
12. ARLINGTON E. BAXTER, *Vice President*—Western Region Operations
13. BEN R. GORDON, *Vice President*—Canadian Operations
14. EDWARD H. SCHROEDER, *Treasurer*
15. MERVIN G. PALLISTER, *Secretary & General Counsel*
16. JAMES A. HEELY, *Controller*

CLYDE W. HALL, *Asst. Treasurer*
RONALD J. HARLOW, *Asst. Secretary*
WARREN R. HOLLOWAY, *Asst. Controller*

DIRECTORS

DEAN S. CAMPBELL
BEN R. GORDON
MOLLIE N. GRONAUER
JESS LEE
RICHARD W. MEYER
DARYL D. MILIUS
LOUIS D. MILTIMORE
ALICE M. NEWBERRY
F. STARK NEWBERRY
JAMES V. NEWBERRY
JOHN J. NEWBERRY, JR.
MERVIN G. PALLISTER
WALTER C. STRAUS
FREDERICK C. WINDISCH
THOMAS L. ZIMMERMAN

EXECUTIVE OFFICES
245 Fifth Ave., New York, New York 10016
TRANSFER AGENT
Corporation Trust Co., New York
REGISTRAR
Morgan Guaranty Trust Co. of New York
AUDITORS
Lybrand, Ross Bros. & Montgomery

ABOUT THE ORBITRON

It's a sign of quality, a guarantee of satisfaction, an assurance of value and a corporate symbol. The Orbitron is all of these things because it stands for Newberrys—and Newberrys stands for quality, fashion and value, plus friendly service and customer satisfaction. So, whenever you see an Orbitron think of Newberrys—that's what it means.

J. J. NEWBERRY CO. 245 FIFTH AVENUE, NEW YORK, N. Y. 10016